

Clean Energy Imports

Policy Summary: Canada has substantial hydro-electric resources, which have very low emissions and may be available at relatively low cost compared to other low emissions generation resources. There may also be opportunities for RPS-eligible resources to be combined with large-scale hydro over transmission lines accessing northern New England. The amount of Canadian hydro has risen to 11 percent of New England's electric consumption, but transmission lines that deliver this resource to southern New England are at or near full capacity, preventing additional Canadian hydro from getting to our market. There are several competing transmission projects that have the potential to bring low emissions resources into Massachusetts: a 1,000 MW project referred to as the "Northern Pass" transmission line; the New England Clean Power Link in Vermont, the Maine Green Line project, and the Northeast Energy Link in Maine, among other potential projects.

Clean Energy Economy Impacts: While none of the transmission projects are actually sited in Massachusetts, bringing lower cost clean resources into Massachusetts can help to stabilize electric rates for consumers in the Commonwealth.

	Savings from full policy implementation	% of 1990 level
Economy-wide GHG reductions in 2020	4.0 MMTCO ₂ e	4.2%

Rationale: Canadian hydro resources are extensive, and have low operating costs and lifecycle greenhouse gas emissions well below natural gas power generation. New lines constructed to address this policy may also have a role to play in delivering RPS-eligible wind power to Massachusetts.

Policy Design: The Baker-Polito Administration has proposed legislation that would authorize Massachusetts utilities to enter into long-term contracts for transmission and power from clean energy resources in New England and Canada.

GHG Impact: Replacing 1,000 MW of fossil fuel with clean energy would result in approximately 4.0 million metric tons of emissions reduction between now and 2020, depending on what types of fossil generation are displaced and how much of the power is utilized in Massachusetts versus other states.

Other Benefits: Like other electric sector policies, by incentivizing the reduced operation of fossil fuel plants, these additional low-emissions electricity imports would help reduce emissions of pollutants that cause smog and affect public health. In addition, additional hydro imports will significantly improve the region's fuel diversity, improving energy security and price stability.

Cost: As discussed above, Canadian hydro has the potential to be a low cost clean energy resource. If long-term contracts are used to finance projects and ensure delivery to Massachusetts, a competitive bidding process will be used to minimize costs to ratepayers.

Experience in Other States: Massachusetts and other Northeastern states already have transmission lines to Canada and have imported hydro power for years. In fact, additional hydro power imports have been a significant contributor to a cleaner New England electricity grid in the last decade.

Legal Authority: As discussed above, the Baker-Polito Administration has introduced legislation to address this policy. New legislation is necessary to ensure implementation of this policy.

Uncertainty: Transmission lines involve federal, state and local permitting, and often raise siting concerns, with potential delays from legal action.